AMERICAN INTERNATIONAL GROUP, INC.



September 17, 2013

Technical Director Financial Accounting Standards Board 401 Merritt 7 P.O. Box 5116 Norwalk, CT 06856-5116

Re: FASB File Reference No. EITF-13E, Proposed Accounting Standards Update, Receivables— Troubled Debt Restructurings by Creditors (Subtopic 310-40): Reclassification of Collateralized Mortgage Loans upon a Troubled Debt Restructuring (a consensus of the FASB Emerging Issues Task Force)

American International Group, Inc. ("AIG," "we," "us," or "our") appreciates the opportunity to comment on Proposed Accounting Standards Update, *Receivables—Troubled Debt Restructurings by Creditors (Subtopic 310-40): Reclassification of Collateralized Mortgage Loans upon a Troubled Debt Restructuring* (a consensus of the FASB Emerging Issues Task Force) ("Proposed ASU" or "Proposal"). AIG supports the efforts of the Financial Accounting Standards Board ("FASB") to provide clarifying guidance addressing when an in-substance repossession or foreclosure occurs; that is, when a creditor should be considered to have received physical possession of residential real estate property collateralizing a consumer mortgage loan, such that all or a portion of the loan should be derecognized and the real estate property recognized. We believe the Proposal achieves the Board's stated objective of these amendments.

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Financial Accounting Standards Board September 17, 2013

Our responses to certain questions raised by the FASB of importance to AIG are included in the Appendix to this letter. Thank you for the opportunity to present our views. Please contact me at (212) 770-4816 if you have any questions.

Very truly yours,

/s/

Jeff Meshberg

Chief Accounting Officer and Global Head of Accounting Policy American International Group, Inc.

cc: Jeffrey M. Farber

Senior Vice President and Deputy Chief Financial Officer American International Group, Inc.

Tom Jones Head of Corporate Accounting Policy American International Group, Inc.

APPENDIX

RESPONSES TO FASB QUESTIONS ON PROPOSED ASU

Question 1: Should the scope of the proposed amendments about the timing of reclassification of receivables to foreclosed residential real estate properties be extended to commercial real estate mortgage loans? If yes, please explain why, including a discussion on any special considerations related to reclassifying commercial real estate mortgage loans.

The scope of the proposed amendments about the timing of reclassification of receivables to foreclosed residential real estate properties should be extended to commercial real estate mortgage loans. We believe the expanded scope would promote comparability and result in a uniform application for all mortgage loans, regardless of whether they are collateralized by residential or commercial real estate.

Question 3: Do you agree that a creditor should be considered to have received physical possession of residential real estate property collateralizing a consumer mortgage loan upon (a) the creditor obtaining legal title to the residential real estate property or (b) completion of a deed in lieu of foreclosure or similar legal agreement under which the borrower conveys all interest in the residential real estate property to the creditor to satisfy that loan, even though legal title may not yet have passed? If not, please explain why.

We agree that a creditor should be considered to have received physical possession of residential real estate property collateralizing a consumer mortgage loan upon (a) the creditor obtaining legal title to the residential real estate property or (b) completion of a deed in lieu of foreclosure or similar legal agreement under which the borrower conveys all interest in the residential real estate property to the creditor to satisfy that loan, even though legal title may not yet have passed. We believe only upon occurrence of either of the above events, the benefits of ownership and control of the property inure to the lender.

Question 4: Do you agree that the recurring disclosures of (a) the recorded investment in consumer mortgage loans secured by residential real estate properties that are in the process of foreclosure according to local requirements of the applicable jurisdiction and (b) a roll-forward schedule reconciling the change from the beginning to the ending balance of foreclosed residential real estate properties provide decision-useful information and should be required to be provided in interim and annual financial statements? If not, please explain why and what disclosures, if any, you would propose.

We agree with the proposed recurring disclosures and believe they would provide decision-useful information to financial statement users. Also, we agree with the requirement to provide these disclosures in both interim and annual financial statements.

Question 5: If the scope of the proposed amendments is extended to commercial real estate mortgage loans and/or loans collateralized by nonfinancial assets other than real estate (for

example, auto loans), should different disclosures be required for these loans? Please describe how and why you think the disclosures should be different.

We believe the scope of the proposed amendments should be extended to commercial real estate mortgage loans but not to loans collateralized by nonfinancial assets other than real estate. If the scope of the proposed amendments is extended to commercial real estate mortgage loans we do not believe different disclosures should be required for these loan types. To promote consistency and provide financial statement users with decision-useful information, we believe similar disclosures should be made for all mortgage loans, regardless of the real estate collateral type, if the same financial statement recognition guidance applies to these loans.

Question 6: Do you agree that the proposed amendments should be applied to both collateralized residential mortgage loans and foreclosed residential real estate properties existing at the date of adoption by means of a cumulative-effect adjustment as of the beginning of the annual reporting period for which the guidance is effective? If not, please explain why.

We agree that the proposed amendments should be applied to both collateralized residential mortgage loans and foreclosed residential real estate properties existing at the date of adoption by means of a cumulative-effect adjustment as of the beginning of the annual reporting period for which the guidance is effective.

Question 8: Do you agree that the proposed amendments should apply to both public entities and nonpublic entities? If not, please describe how and why you think they should be different.

To promote comparability and provide consistency in practice across entities, we believe the proposed amendments should apply to both public entities and nonpublic entities.

Question 9: Do you agree that an entity should be permitted to early adopt the proposed amendments? If not, please explain why.

We agree early adoption of the proposed amendments should be permitted.

Question 10: How much time would be needed to implement the proposed amendments, and should the effective date differ for nonpublic entities versus public entities? Please explain why.

We would need three-to-six months to implement the proposed amendments. Further, to promote comparability among entities, we believe the effective date of the final standard should be aligned for public and nonpublic entities.